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DEVELOPMENT AGREEMENT
BY AND BETWEEN
COUNTY OF PLACER
AND
BICKFORD HOLDINGS, LLC (10-13-04)

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DEVELOPMENT AGREEMENT
by and between
THE COUNTY OF PLACER
and
BICKFORD HOLDINGS, LLC

This Development Agreement is entered into this _____ day of _____, 2004, by and between the **COUNTY OF PLACER**, hereinafter "County", and **BICKFORD HOLDINGS, LLC**, a Nevada Limited Liability Corporation, hereinafter "Landowner", pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California.

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, et seq., of the Government Code (the "Development Agreement Statute"), which authorizes the County of Placer and an applicant for a development project to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Property. The subject of this Agreement is the development of those certain parcels of land, consisting of approximately 1,947 acres located in the unincorporated area of the County of Placer, as described in **Exhibit A-1** and shown on **Exhibit A-2** (hereinafter the "Property"), attached hereto and incorporated herein by this reference. Landowner represents that it owns the Property in fee and that all persons holding legal or equitable interests in the Property shall be bound by the Agreement.

Two properties not subject to the terms, conditions and obligations of this Agreement are the communications tower parcel (031-200-08) owned by Placer County and the Bitterroot parcel (031-101-38), both parcels are located as shown in **Exhibit A-3** (hereinafter the "Excepted Parcels"), attached hereto and incorporated herein by this reference. **Exhibit A-2** does not include the Excepted Parcels.

C. Planning Commission Hearing. On _____, 2004, the County Planning Commission, designated by Section 17.58.240 of the Placer County Code as the planning agency for purposes of development agreement review pursuant to Government Code Section 65867, in a duly noticed and conducted public hearing, considered this Agreement and recommended that the Board of Supervisors approve this Agreement.

D. Environmental Impact Report. On December 18, 2001, the Board of Supervisors, in Resolution 2001-340, certified as adequate and complete the Final EIR (the "Plan EIR") for the Bickford Ranch Specific Plan (the "Specific Plan"). On _____, 2004, the Board made findings (Resolution

_____) that a subsequent EIR is not required and adopted a Statement of Findings, a Mitigation Monitoring Plan and Statement of Overriding Considerations and General Plan Consistency. Mitigation measures have been incorporated into the Project as required by the Final EIR, as reflected by the findings adopted by the Board of Supervisors concurrently with this Agreement.

E. Entitlements. The Board of Supervisors has approved the following land use entitlements for the Property, which entitlements are the subject of this Agreement:

1. Adoption of a Specific Plan, by resolution (Resolution No. _____), including adoption by ordinance (Ordinance No. _____) of project-specific Development Standards, and adoption by resolution (Resolution No. _____) of Design Guidelines (_____, 2004).
2. Adoption of an ordinance (Ordinance No. _____) approving a Development Agreement for the Bickford Ranch Development and authorizing execution of the Development Agreement (the "Development Agreement" or "Agreement") by the County (_____, 2004).

The approvals described in this paragraph E hereof are referred to herein as the "Entitlements."

F. General and Specific Plans. Development of the Property in accordance with the Entitlements and this Agreement will provide orderly growth and development of the area in accordance with the policies set forth in the General and Specific Plans. For purposes of the vesting protection granted by this Agreement, except as otherwise provided herein, the applicable law shall be as set forth in the Entitlements as of the date hereof.

G. Substantial Costs to Landowner. Landowner has incurred and will incur substantial costs in order to comply with conditions of approval of the Entitlements and to assure development of the Property in accordance with the Entitlements and the terms of this Agreement.

H. Need for Services and Facilities. Development of the Property will result in a need for certain municipal services and facilities, some of which services and facilities can be provided by the County, and some of which will be provided by other public entities and/or public utilities, subject to the performance of Landowner's obligations hereunder.

I. Contribution to Costs of Facilities and Services. Landowner agrees to contribute to the costs of public facilities and services as required herein to mitigate impacts of the development of the Property on the community, and County agrees to

provide, to the extent that it does so provide, public facilities and services to assist the Landowner in proceeding with the development of the Property in accordance with the terms of this Agreement. The parties agree that a number of the terms and conditions agreed to by Landowner herein exceed what might otherwise be required under the law. County and Landowner recognize and agree that but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, County would not and could not approve the development of the Property as provided by this Agreement and that, but for County's agreement to provide, to the extent it does provide, the services necessary for development of the Property, Landowner would not and could not commit to provide the mitigation as provided by this Agreement. County's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of Landowner's agreement to make contributions toward the cost of public improvements as herein provided to mitigate the impacts of development of the Property as such development occurs.

J. Development Agreement Ordinance. County and Landowner have taken all actions mandated by and fulfilled all requirements set forth in Sections 17.58.210 through 17.58.260 of the Placer County Code, the Development Agreement Ordinance of the County of Placer.

K. Consistency with General Plan and Specific Plan. Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, the County finds and declares that this Agreement is consistent with the General Plan of the County of Placer and with the Specific Plan.

L. Litigation. In response to a trial court decision and Writ of Mandate dated June 28, 2004, the County complied with the Court's writ on August 10, 2004 by rescinding its approval of the Specific Plan Design Guidelines, Development Standards, Development Agreement, Mitigation Monitoring Plan and resolutions pertaining to Clark Tunnel Road. The trial court upheld the adequacy of the previously certified EIR for the Project. Said EIR, together with the EIR Addendum has been prepared and considered in the County's decision on the Entitlements.

AGREEMENT

SECTION 1 GENERAL PROVISIONS

1.1 Incorporation of Recitals. The Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

1.2 Property Description and Binding Covenants. The Property is that property described in **Exhibits A-1 and A-2**. It is intended and determined that the provisions of this Agreement shall constitute covenants which shall run with the

Property and the benefits and burdens hereof shall bind and inure to all successors in interest to and assigns of the parties hereto. Accordingly, all references herein to "Landowner" shall mean and refer to Bickford Holdings, LLC and each and every subsequent purchaser or transferee of the Property or any portion thereof from Landowner.

The Exception Parcels shall not be subject to the terms, conditions and obligations of this Agreement.

1.3 Term.

1.3.1 Commencement; Expiration. The term of this Agreement shall commence upon the effective date of the Adopting Ordinance approving this Agreement and shall extend for a period of fifteen (15) years thereafter, unless said term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect; provided, however, said termination of the Agreement shall not affect any right or duty emanating from County entitlements on the Property approved concurrently with or subsequent to the approval of this Agreement.

1.3.2 Tolling During Legal Challenge. In the event that this Agreement or any of the Entitlements are the subject of legal challenge, and Landowner is unable to proceed with the Project because of the litigation, the term of and timing of obligations imposed pursuant to this Agreement shall be automatically tolled during the pendency of the litigation for a period not to exceed two (2) years upon written request of Landowner.

1.3.3 Automatic Termination Upon Issuance of Building Permit. This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Specific Plan for residential use, upon issuance by County of a building permit therefor. This termination shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

1.3.4 Termination Upon Landowner Request. This Agreement may also be terminated, at the election of the property owner, with respect to any legally subdivided parcel designated by the Specific Plan for a multi-family residential or non-residential use (other than parcels designated for public use), when recording a final residential lot subdivision map for such parcel, or receiving a certificate of occupancy or final inspection, whichever is applicable, for a multi-family or non-residential building within such parcel, by giving written notice to County of its election to terminate the Agreement for such parcel, provided that: (i) all improvements which are required to

serve the parcel, as determined by County, have been accepted by County; and (ii) the parcel is included within the applicable Zone of Benefit(s) within County Services Area No. 28 as required by this Agreement, or other financing mechanism acceptable to the County, to the extent required hereby; and (iii) all other conditions of approval that pertain to the creation of the parcel have been satisfied; and (iv) all obligations that pertain to the parcel under this Development Agreement have been satisfied. County shall, upon request of the property owner, execute a written notice of termination that may be recorded with the County Recorder against the applicable parcel, at the property owner's sole expense.

1.4 Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of County and Landowner (and/or any successor owner of any portion of the Property, to the extent subject to or affected by the proposed amendment), in accordance with the provisions of the Development Agreement Statute. If the proposed amendment affects less than the entire Property, then such amendment need only be approved by the owner(s) in fee of the portion(s) of the Property that is subject to or affected by such amendment. The parties acknowledge that under the Placer County Code and applicable rules, regulations and policies of the County, the Planning Director has the discretion to approve minor modifications to approved land use entitlements without the requirement for a public hearing or approval by the Board of Supervisors. Accordingly, the approval by the Planning Director of any minor modifications to the Entitlements which are consistent with this Agreement shall not constitute nor require an amendment to this Agreement to be effective.

1.4.1 Effect of Amendment. Any amendment to this Agreement shall be operative only as to those specific portions of this Agreement expressly subject to the amendment, with all other terms and conditions remaining in full force and effect without interruption.

1.4.2 Amendment for Tentative Maps. The parties acknowledge that Landowner has submitted and County has approved a Vesting Large Lot Tentative Subdivision Map and Vesting Small Lot Tentative Subdivision Map (collectively, "VTM's"). The VTM's and the terms and conditions imposed in connection with their approval are part of the Entitlements for purposes hereof and are subject to the terms and conditions of this Agreement.

1.5 Assignment. Landowner shall have the right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as **Exhibit B**. Upon the conveyance of Landowner's interest in the Property, or any portion of the Property, and the unconditional assumption by the assignee of all applicable obligations hereunder, Landowner shall be released from any further liability or obligation hereunder related to that portion of the Property so conveyed and the assignee shall be

deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such portion of the Property so conveyed; provided, however, in no event shall Landowner be released from the obligations set forth in Sections 2.5 (Affordable Housing), 3.1 (Roadway Improvements), 3.2 (Wastewater Facilities), 3.3 (Park Facilities), 3.4 (Natural Open Space and Trails), 3.5 (Fire Protection and Public Safety Facilities), or 3.11 (Transfer of Tower Site and Assignment of Lease) herein without a specific written release from County. In the event of default by either Landowner or its assignee, any termination of this Agreement, to the extent that Landowner or its assignee is in compliance with all other requirements under this Agreement, shall apply only against the property owner in default.

1.6 Recordation. Except when this Agreement is automatically terminated due to the expiration of the Term or the provisions of Section 1.3.2 above, the County shall cause this Agreement, any amendment hereto and any other termination thereof to be recorded, at Landowner's expense, with the County Recorder within ten (10) days of the Agreement, amendment or termination becoming effective. Any amendment or termination of the Agreement to be recorded that affects less than all the Property shall describe the portion thereof that is the subject of such amendment or termination.

SECTION 2 DEVELOPMENT OF THE PROPERTY

2.1 Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, and location of public improvements, and other terms and conditions of development applicable to the Property shall be those set forth in the Entitlements and this Agreement.

2.2 Vested Entitlements. Subject to the provisions and conditions of this Agreement, County agrees that County is granting, and grants herewith, fully vested entitlements and rights to develop the Property in accordance with the terms and conditions of this Agreement and the Entitlements. County acknowledges that the Entitlements include the land uses and approximate acreages as set forth in **Exhibit C**. Such uses shall be developed in accordance with the Entitlements, as such Entitlements provide on the effective date of this Agreement. Landowner's vested right to proceed with the development of the Property shall be subject to subsequent approvals, provided that any conditions, terms, restrictions and requirements for such subsequent approvals shall not prevent development of the Property for the uses, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Landowner is not in default under this Agreement.

The vesting of entitlements provided by this Agreement shall not supersede or affect rights otherwise vested by operation of law, including but not limited to, the Subdivision Map Act and/or other provisions of state or local zoning law.

2.3 Rules, Regulations and Official Policies.

2.3.1 Conflicting Moratoria or Inconsistency. So long as this Agreement remains in full force and effect, no future resolution, rule, ordinance or legislation adopted by the County or by initiative (whether initiated by the Board of Supervisors or by a voter petition) shall directly or indirectly limit the rate, timing, sequencing or otherwise delay or impede development in accordance with the Entitlements and this Agreement; provided, however, Landowner shall be subject to any growth limitation ordinance, resolution, rule or policy that is adopted by the County that directly concerns a public health or safety issue, in which case County shall treat Landowner in a uniform, equitable and proportionate manner with all other properties that are affected by said public health or safety issue. To the extent any future resolutions, rules, ordinances, fees, regulations or policies applicable to development of the Property are not inconsistent with the permitted uses, density and intensity of use, rate or timing of construction, maximum building height and size, or provisions for reservation or dedication of land under the Entitlements or under any other terms of this Agreement, such rules, ordinances, fees, regulations or policies shall be applicable.

2.3.2 Application of Changes. This section shall not preclude the application to development of the Property of changes in County laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in State or Federal laws or regulations. To the extent that such changes in County laws, regulations, plans or policies prevent, delay or preclude compliance with one or more provisions of this Agreement, County and Landowner shall take such action as may be required pursuant to Section 4.1 of this Agreement to comply therewith.

2.3.3 Authority of County. This section shall not be construed to limit the authority or obligation of County to hold necessary public hearings, or to limit discretion of County or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by County or any of its officers or officials, provided that subsequent discretionary actions shall not prevent, delay, or impose additional burdens upon, or obligations in connection with, the development of the Property for the uses and to the density and intensity of development as provided by the Entitlements and this Agreement, in effect as of the effective date of this Agreement.

2.4 County Fees, Taxes and Assessments.

2.4.1 Processing Fees and Charges. Landowner shall pay those processing, inspection and plan checking fees and charges (Processing Fees) required by County under the then current and applicable regulations for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

2.4.2 Development Fees. Consistent with the terms of this Agreement, County shall have the right to impose, and Landowner agrees to pay, such development fees (Development Fees) as have been adopted by County as of the Effective Date of this Agreement and which are identified in the Development Fee Schedule set forth in **Exhibit D**, attached hereto and incorporated herein. Development Fees shall be due upon issuance of building permits for the Project, except as otherwise provided under this Agreement.

2.4.3 New Development Fees. In the event after the Effective Date of the Agreement County or a joint powers authority or other agency of which the County is a member adopts a new Development Fee in accordance with the Mitigation Fee Act (Government Code section 66000 et seq.) or other law that is applied uniformly on a county-wide or a regional basis, Landowner agrees to pay any such Development Fee; provided, however, in the event the new Development Fee is duplicative of the Community Facilities Contribution required to be paid pursuant to Section 3.7 or the Public Open Space Contribution required to be paid pursuant to Section 3.8, Landowner shall only be obligated to pay the greater of the new Development Fee or the Contribution amount.

2.4.4 Development Fees - Adjustments. County may adjust County Development Fees from time-to-time to account for increases or decreases in the cost of constructing the facilities or in providing the services for which such Development Fees are collected. Such adjustments shall be done on an annual basis, to the extent the Placer County Code so provides, in accordance with the applicable provisions of the Code; otherwise, the adjustment shall be done in accordance with the basic assumptions and methodology governing adjustments of County fees generally.

2.4.5 Development Fees for Age-Restricted Portion of Project. The Public Facilities Fee and Traffic Mitigation Fees paid by Landowner for age-restricted residential units within the Project shall be that established for such age-restricted units pursuant to Articles 2.132 and 15.28, respectively, of the Placer County Code, as adjusted from time-to-time.

2.5 Affordable Housing. Consistent with the goals and policies contained in County's General Plan and the Specific Plan, and subject to the terms of this Agreement, Landowner shall develop or cause to be developed approximately 189 units, or ten percent (10%) of the total number of residential units approved within the Project (estimated at 1,890 units, including up to 106 affordable units), as housing affordable to lower income households earning up to 80% of median income for Placer County as determined by the Department of Housing and Urban Development (HUD). Such affordable housing units may be constructed both on-site and off-site pursuant to the requirements of this Section and this Agreement. Landowner shall provide proof acceptable to County that occupancy of all such units are suitably restricted and made available only to persons meeting the requisite income level for lower income households.

2.5.1 On-Site Units. Landowner shall utilize its best efforts to construct 106 residential units within the Project on the parcel designated Village Residential. The Planning Director may, upon a showing of good cause by Landowner of specific site constraints, approve a lesser number; provided, however, in no event shall the number of on-site units be less than 90. Such units may be developed as an affordable age-restricted multi-family project. Upon creation of the parcel designated Village Residential, Landowner shall record a notice of restriction on the parcel, in a form acceptable to the County, restricting the development and use of the property to affordable housing as required by the Agreement.

2.5.2 Off-Site Units. The balance of the Project's affordable units will be constructed off-site at a location included in an inventory of potential affordable housing sites agreed upon by Landowner and the official of the County responsible for administering the County's housing programs. The inventory may be modified from time-to-time as need demands.

2.5.3 Benchmarks Applicable to Affordable Housing Construction. The parties deem it important that significant progress toward the construction of the affordable housing units provided for by this Agreement occur by certain agreed upon benchmarks in the construction of the Project. To assure such progress, the following benchmarks shall be met:

a) Prior to County approval of the final subdivision map creating the 600th residential lot, a site specific development plan for the on-site Village Residential site shall be submitted to the County. The submittal shall meet the standard County requirements applicable to a project subject to design review approval pursuant to Placer County Code section 17.52.070 or its equivalent.

b) Prior to County approval of the final subdivision map creating the 900th residential lot, Landowner shall obtain approval of the applicable development entitlement for the construction of a senior affordable multi-family project on the Village

Residential site, or submit a complete application to County or show proof of submission of a complete application to a city within the County for an off-site affordable housing project.

c) Prior to County approval of the final subdivision map creating the 1,300th residential lot, Landowner shall have commenced, or shall have caused commencement of, construction on either the on-site or off-site affordable project. For purposes of Section 2.5 of this Agreement, commencement of construction shall mean the construction of a foundation pursuant to the issuance of a building permit for the project in question.

d) Prior to County approval of the final subdivision map creating the 1,500th residential lot, Landowner shall have commenced, or shall have caused commencement of, construction of the affordable housing units that constitute the remaining obligation of Landowner pursuant to this Agreement.

2.5.4 Minimum Obligation for Affordable Housing. In fulfilling its obligation under Section 2.5 of this Agreement, Landowner shall be obligated to contribute to or participate in the construction of affordable housing in an amount no less than \$13,500 per affordable housing unit constructed. Upon approval of each affordable housing project, Landowner shall provide documentation acceptable to the Chief Executive Officer, or her or his designee, demonstrating Landowner's fulfillment of this condition. To the extent said documentation evidences a contribution or participation less than the sum of \$13,500 per affordable housing unit, Landowner agrees to pay the difference to County as an affordable housing mitigation fee.

The sum of \$13,500 shall be automatically adjusted on July 1 of each year, commencing with July 1, 2003, by the percentage increase or decrease in the Consumer Price Index for the San Francisco/Oakland/San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics ("CPI") from the CPI of the preceding twelve (12) months.

2.5.5 Available Funding Programs. In fulfilling its obligation to provide affordable housing, Landowner, and/or the landowner of an affordable housing project in which Landowner participates, may utilize any federal, state or local funding programs then available for affordable housing projects in Placer County. Landowner shall keep the official of the County responsible for administering the County's housing programs apprised as to the specific affordable housing program(s) it intends to utilize.

2.5.6 Delay in Producing Affordable Housing Units. Landowner shall proceed diligently and in good faith with processing and obtaining the approvals necessary to the construction of the affordable housing units required under Section 2.5 of this Agreement. County shall diligently and in good faith process any application for a project submitted to County by Landowner. The benchmarks contained herein for the

construction of affordable housing units may be tolled by County in the event Landowner so requests, and its request is based upon facts and circumstances for which Landowner bears no fault that shows progress toward such construction has been impeded due to litigation involving the approval of the project or moratoria affecting either on or off-site development.

2.6 Conceptual Project Phasing and Absorption. This Agreement establishes a number of specific benchmarks that trigger Landowner's obligations under this Agreement. Many such benchmarks utilize the number of small lots that have been approved for the Project. For purposes of example only and to assist in the use of this Agreement in the implementation of the Project and the Entitlements, a conceptual estimate of an absorption rate schedule for the approval and development of small lot final maps are provided in **Exhibit E**, attached hereto and by this reference incorporated herein.

SECTION 3 LANDOWNER OBLIGATIONS

3.1 Roadway Improvements.

3.1.1 Sierra College Boulevard.

3.1.1.A Widening. Prior to County approval of the final subdivision map creating the 500th residential lot, Landowner shall commence construction of frontage improvements consisting of one travel lane twelve (12) feet in width along Sierra College Boulevard for the entire frontage of the property on Sierra College Boulevard or as approved by the Department of Public Works. Landowner will dedicate or attain the necessary rights of way for the above work. Where the Bickford project fronts on both sides of Sierra College Blvd the landowner will dedicate the necessary rights of way for the full ultimate roadway.

3.1.1.B Traffic Signals - Traffic Signal. The project has three intersections with Sierra College Boulevard. Landowners shall fund, design and construct traffic signals when traffic signal warrants are satisfied at any of the three intersections.

3.1.1.C Traffic Signal at Highway 193. Subject to review and final approval of Caltrans, Landowner shall submit for County review and approval complete design plans for a traffic signal at Sierra College Boulevard and Highway 193 prior to recordation of the first small lot final subdivision map for the Project. Also subject to review and approval of Caltrans, Landowner shall construct this traffic signal as part of the improvement plan requirements for the initial phase of construction for the Project.

In the event that Caltrans does not approve either the design or

construction of the traffic signal, and Landowner has processed the necessary design and construction plans in a timely and good faith manner, the timing for the construction of the traffic signal shall be delayed until such time as Caltrans approves the design and construction of the signal.

It is estimated that the cost for this improvement is \$240,000. Concurrent with the construction of the traffic signal, County shall request a contribution toward such improvement from Caltrans equal approximately two-thirds of the cost of this improvement. Upon completion of construction, Landowner shall submit copies of invoices, proofs of payment, and any other documentation supporting its claim for reimbursement of costs of construction that may be reasonably requested by County. Upon County's review and approval of said costs, and County's receipt of any contribution from Caltrans for this improvement, County shall promptly forward such contribution to Landowner. County shall have no obligation to reimburse Developer and/or Landowner for the costs of construction of the traffic signal unless or until it receives any such contribution from Caltrans.

3.1.2 Fee Advancement - English Colony Way. Prior to issuance of the 1,100th market rate residential building permit, Landowner shall advance to County the total amount of \$600,000 that the parties agree represents the Project's pro rata share of the total cost of the English Colony Way improvements identified in the County's Transportation Capital Improvement Program for the Newcastle/Horseshoe Bar/Penryn Benefit District. A credit to Landowner for the cost of advancing such balance (estimated at \$877.19 per market rate residential unit, based upon 1,784 approved units) shall be applied against each subsequent building permit for each market rate residential unit until such credit is exhausted.

3.1.3 County-wide Traffic Mitigation Fee. The Project is subject to and shall pay County's Traffic Mitigation Fee for the Central Zone, or such similar fee as may be adopted from time-to-time to replace the Central Zone fee. Payment of this fee obligation shall be paid as a condition to issuance of each building permit within the Project.

3.1.4. Regional Traffic Mitigation Fee. The Project is subject to and Landowner shall pay the South Placer Area Regional Transportation Authority traffic fee (SPRTA Fee), as specified in Exhibit D, or such similar fee as may be adopted from time-to-time to replace the SPRTA Fee. Payment of this obligation shall be paid as a condition to issuance of each building permit within the Project and shall be in addition to the County-wide Traffic Mitigation Fee.

3.1.5 Supplemental Financial Contributions - Roadways. In addition to the County-wide Traffic Mitigation Fees and the Regional Traffic Fee, Landowner shall pay to County supplemental traffic contributions as and when set forth in this Section 3.1.5.

3.1.5.A Special Transportation Fund. Landowner shall pay County the sum of \$2,000,000 to be applied to additional improvements to roadways in the vicinity of the Project; provided, however, it is acknowledged that County shall, in its sole discretion, determine which improvements, if any, may be necessary. Landowner shall pay to County one-half of this sum (\$1,000,000) prior to County approval of the final subdivision map creating the 500th residential lot. Landowner shall pay the other one-half of this sum (\$1,000,000) as a Special Transportation Fund contribution of \$560.54 per unit shall be paid at the time of issuance of building permit for each market rate residential unit. The actual amount paid per unit shall be calculated by dividing the fund amount (\$1,000,000) by the total number of market rate residential units approved as part of the Vesting Small Lot Tentative Subdivision Map for the Project.

In the event that County and Landowner agree in the future that Landowner may construct such improvements to roadways and intersections, Landowner shall receive a credit against or reimbursement from the one-time payment of \$1,000,000 to be paid or already then paid by Landowner pursuant to this subsection.

3.1.5.B Special Contribution to Supplement Traffic Impact Fees. Landowner shall pay County the sum of \$1,719.45 per market rate residential unit at the time of issuance of each building permit for each such unit as a special contribution to supplement County's traffic mitigation fees. Fifty-seven percent (57%) of each such payment shall be deposited into the County's Central Traffic Fee Zone account (estimated total of \$1,750,000) and forty-three percent (43%) shall be deposited into a separate account to supplement regional improvements to Sierra College Boulevard (estimated total of \$1,320,000). All such special contributions paid by Landowner shall be expended on roadway improvements in the vicinity of the Project.

This special contribution amount shall be subject to an annual adjustment in accordance with the adjustment to the County-wide Traffic Mitigation Impact Fee required to be paid pursuant to Section 3.1.3, above

3.2 Wastewater Facilities.

3.2.1 On-Site Wastewater Transmission Facilities - Oversizing. As part of its construction of on-site wastewater transmission facilities, Landowner shall construct such facilities to accommodate designed flows anticipated from the development of the Project and the flows necessary to accommodate the closure of the Newcastle Sanitation District (NSD) existing wastewater treatment plant (estimated cost of \$335,000). Such over sizing of facilities shall be constructed by the Landowner as a public benefit to the existing and future customers of the NSD.

3.2.1.A On-Site Wastewater Transmission Facilities – Maintenance. The County shall maintain the on-site wastewater transmission facilities.

Costs for maintenance of these on-site wastewater transmission facilities shall be paid through the formation of and property owner participation in a Zone of Benefit within County Service Area (CSA) No. 28. Landowner agrees to prepare and/or execute such additional and further documents as may be necessary to create said zone of benefit and to establish a charge or assessment for service to include costs of maintenance.

3.2.2 Off-Site Wastewater Transmission Facilities. Landowner shall construct wastewater transmission facilities from the intersection of Sierra College Boulevard and Highway 193 to existing transmission facilities in the City of Lincoln as shown in **Exhibit G**, attached hereto and incorporated herein. Such transmission facilities shall be constructed to accommodate future regional wastewater flows as anticipated under the Joint Powers Authority (JPA) entered into by the County, NSD, City of Lincoln, City of Auburn, South Placer Municipal Utility District and Nevada County at an estimated additional construction cost to Landowner of approximately \$5,000,000. The parties agree that the construction of these off-site transmission facilities constitutes a significant regional and public benefit to south Placer County residents in that the sizing of the transmission facilities is significantly in excess of the sizing required to accommodate the development of the Project.

3.2.2.A Off-Site Wastewater Transmission Facilities - Maintenance. Landowner shall maintain such off-site wastewater transmission facilities for one year from the date of acceptance of the facilities by the City Lincoln, the County or the JPA, as the case may be, after which maintenance of such facilities shall be performed by the accepting agency.

3.2.3 Regional Wastewater Facilities - Reimbursement. In the event that the JPA receives state and/or federal funds as reimbursement for improvements constructed as part of the regional wastewater system, County shall support Landowner's request to the JPA for reimbursement of the cost to Landowner in constructing oversized facilities to accommodate regional wastewater flows. Nothing herein shall be interpreted to require County to reimburse Landowner for the costs of construction of regional wastewater facilities.

3.2.4 Wastewater Treatment Agreement - County and City of Lincoln. Landowner acknowledges that County does not operate a wastewater treatment plant in the vicinity of the Project and that County shall perform treatment of wastewater for the Project only through an inter-agency contract with the City of Lincoln. County shall use its best efforts to promptly negotiate and enter into an agreement with the City of Lincoln to provide for the treatment of wastewater from the Project by the City at its existing and planned wastewater treatment plants. Nothing in this Agreement shall be interpreted to obligate County to provide wastewater treatment to any lot within the Project except by agreement with the City of Lincoln. Landowner agrees to pay any service charges, connection fees or other such fees and assessments as may be necessary to provide wastewater service and treatment to the Project.

3.3 Park Facilities.

3.3.1 Bickford Ranch Park. Prior to County approval of the final subdivision map creating the 750th residential lot, Landowner shall construct Phase I facilities of Bickford Ranch Park as shown in **Exhibit H-1**, attached hereto and incorporated herein. Landowner shall construct Phase II facilities of Bickford Ranch Park, as shown in **Exhibit H-2**, prior to County approval of the final subdivision map creating the 1,000 residential lot.

3.3.2 Tower Park. Prior to County approval of the final subdivision map creating the 1,500th residential lot, Landowner shall construct Tower Park facilities as shown in **Exhibit I**, attached hereto and incorporated herein.

3.3.3 Park Maintenance Building. Concurrent with the construction of Phase I of Bickford Ranch Park, Landowner shall construct a park maintenance building, located as shown and described in **Exhibit J-1**, attached hereto and incorporated herein. The design and building materials of the maintenance facility shall be subject to the approval of County.

3.3.4 Park Improvements In-Lieu of Fees. Construction and dedication to County of Bickford Ranch Park Phases I and II and Tower Park shall satisfy Landowner's obligations to provide park acreage, improvements and facilities for the Project. The parties agree that the park improvements and facilities constructed by Landowner exceed the amount of Landowner's park improvement fee obligation. Such park improvements and facilities shall be open to the public and therefore constitute a significant public benefit to the residents of south Placer County.

3.3.5 Ownership and Maintenance of Park Facilities. The County shall own and maintain the park facilities within the Project. Costs for park maintenance shall be paid through the formation of and property owner participation in a Zone of Benefit within County Service Area (CSA) No. 28. Landowner agrees to prepare and/or execute such additional and further documents as may be necessary to create said zone of benefit and to establish a charge or assessment for such service.

3.3.6 Maintenance Equipment. Landowner shall provide, on a one time basis, certain maintenance equipment to the County limited to that listed and described in **Exhibit J-2**, attached hereto and incorporated herein. Such equipment shall be provided to County at the time of County acceptance of Bickford Ranch Phase I.

3.4 Natural Open Space and Trails - Preservation and Maintenance. Landowner shall preserve and maintain significant acreage within the Project for natural open space, and Landowner shall construct a trail system, both as shown in the Specific Plan. Such natural open space and trail areas shall be open to the public and therefore

constitute a significant public benefit to the residents of south Placer County.

3.4.1 Ownership of Natural Open Space. Prior to County approval of the final subdivision map creating the 1st residential small lot, Landowner shall convey in fee the Project's natural open space to the master homeowners' association (Master HOA), public agency other than County, or any other non-profit management or preservation entity acceptable to County, and such entity shall be responsible for maintaining the natural open space.

3.4.2 Ownership of Trails. Prior to County approval of the final subdivision map creating the first residential small lot, Landowner shall convey an easement to County for the trail system as shown in the Specific Plan. Landowner shall construct the complete trail system as required by the Specific Plan to standards approved by the County, and in accordance with the schedule set forth in the Specific Plan. County shall be responsible for maintaining the trail system; provided, however, the costs of maintenance shall be paid through the formation of and owner participation in a Zone of Benefit within County Service Area (CSA) No. 28. Landowner agrees to prepare and/or execute such additional and further documents as may be necessary to create said zone of benefit and to establish a charge or assessment for such service prior to the County approval of the final subdivision map creating the first residential small lot.

3.5 Fire Protection and Public Safety Facilities. Prior to County approval of the final subdivision map creating the 250th residential lot, Landowner shall order the apparatus necessary to equip the fire station described in **Exhibit K**, attached hereto and incorporated herein. Prior to County approval of the final map creating the 500th residential lot, Landowner shall complete construction of fire station located as shown and described in **Exhibit L**, attached hereto and incorporated herein by reference.

3.5.1 Fire Protection and Public Safety Improvements In-Lieu of Fees. Acquisition of the fire protection apparatus and construction and dedication to County of the fire station shall satisfy Landowner's obligations to pay fire protection fees to Placer County Fire Department for the Project. The parties agree that the obligations incurred by Landowner exceed the amount of Landowner's fee obligation. Such fire protection facilities shall constitute a significant public benefit to the residents of south Placer County.

3.5.2 Space for Sheriff Service Center. The fire station shall be constructed to include up to 600 square feet to be used as a Sheriff Service Center. Prior to the issuance of a certificate of occupancy for the fire station, Landowner shall pay to County up to \$104,000 to provide basic furnishings for the Sheriff Service Center, and to the extent money remains available, equipment for the park facility.

3.5.3 Annual Fire Protection Charge. Landowner agrees to prepare

and/or execute such documents and take such additional actions as may be necessary to create a zone of benefit within County Service Area No. 28 and to establish a fee, charge or assessment on each lot within the Project to pay for fire protection services within the Project, and agrees to pay any such fee, charge or assessment.

3.5.4 Fire District Payment. In the event that one of the two fire protection agencies currently serving the Project withdraws its application to the Placer County Local Agency Formation Commission (LAFCO) that proposes to annex the entirety of the Project into its boundaries, and that agency agrees to detach that portion of the Project currently within its boundaries so that it may be served by the other agency, and LAFCO approves such detachment and the annexation of the Project in its entirety into the boundaries of the other agency, in order to partially offset the possible loss of projected revenue, Landowner shall pay to that fire protection agency the sum of \$150,000 upon completion of the LAFCO proceedings and any litigation related thereto.

3.6 Supplemental Public Facilities Contribution. The Project is subject to and shall pay the County Public Facilities Fee. In addition, Landowner shall pay to County a supplemental public facilities contribution (Supplemental Public Facilities Contribution) of \$498.97 per market rate residential unit. Such fee shall be paid as a significant regional and public benefit to south Placer County residents. Payment of the Supplemental Public Facilities Contribution shall be made at the time of issuance of a building permit for each market rate residential unit.

The Supplemental Public Facilities Contribution shall be subject to annual adjustment in accordance with the annual adjustment for the County Public Facilities Fee that is calculated pursuant to Placer County Code section 2.120.090(B).

3.7 Contribution for Additional Community Facilities. Landowner shall pay to County a contribution of \$1,457.40 per market rate residential unit for community facilities (Community Facilities Contribution). Such Community Facilities Contribution shall be paid to County and shall be applied to facilities, by way of example only, as listed in **Exhibit M**, attached hereto and incorporated herein. Payment of this contribution shall be made at the time of issuance of a building permit for each market rate residential unit.

The Community Facilities Contribution shall be subject to annual adjustment in accordance with the annual adjustment to the County Public Facilities Fee that is calculated pursuant to Placer County Code section 2.120.090(B).

3.8 Contribution to Public Open Space. Landowner shall pay to County a contribution of \$2,000 per market rate residential unit for acquisition and/or maintenance of public open space. Such contribution shall be paid as a significant regional and public benefit to Placer County. Payment of this contribution shall be made at the time of issuance of a building permit for each market rate residential unit.

The Public Open Space Contribution shall be subject to annual adjustment in accordance with the annual adjustment to the County Public Facilities Fee that is calculated pursuant to Placer County Code section 2.120.090(B).

3.9 Air Quality Mitigation Fee. In addition to other mitigation measures adopted for the Project to mitigate project impacts to air quality, Landowner shall pay to County the sum of \$221.19 per market rate residential unit. Such amount shall be paid at the time of issuance of building permit for each market rate residential unit within the Project.

The Air Quality Mitigation Fee shall be subject to an annual adjustment in accordance with the annual adjustment to the County Public Facilities Fee that is calculated pursuant to Placer County Code section 2.120.090(B).

3.10 Reservation of School Site. Notwithstanding Government Code section 66480, Landowner shall reserve the public school site for the Loomis Union School District for a period of ten (10) years from the date of approval of this Agreement, or for such other term as Landowner and the Loomis Union School District may mutually agree.

SECTION 4 COUNTY OBLIGATIONS

4.1 County Cooperation. The County agrees to cooperate with Landowner in securing all permits that may be required for the development of the Project by County. In the event a State or Federal law or regulation is enacted after this Agreement has been executed, or in the event an action of any other governmental jurisdiction occurs that prevents, delays for thirty (30) days or more, or precludes compliance with one or more provisions of this Agreement, and/or requires material modifications in the Specific Plan, Design Standards or Development Standards, and/or requires substantial changes in plans, maps or permits approved by County, the parties agree that the provisions of this Agreement shall be modified, extended or suspended to the extent necessary to comply with such State and Federal laws or regulations or the regulations of other governmental jurisdictions. Each party agrees to extend to the other its prompt and reasonable cooperation in so modifying this Agreement or approved plans.

4.2 Credits and Reimbursements. Landowner may, pursuant to this Agreement, be financing construction of certain improvements which would otherwise be paid by the County or other parties and which serve other properties or which would be financed by existing County fees. County and Landowner agree that only where this Agreement explicitly so provides, Landowner shall be entitled to credits and reimbursement.

4.2.1 Reimbursement by Third Parties. In the case of public improvements which abut property owned by third persons or for other public improvements that are oversized or extended to benefit property owned by third persons, Landowner shall be entitled to receive a reimbursement from the benefited property's owner (and not the County) for the pro rata cost of the improvements which exceed Landowner's obligation. Reimbursement may be provided directly from the owner abutting such improvements or from a community facilities district or any such other infrastructure financing district if such a district is formed by or includes such properties and includes monies for the construction of said improvements.

County shall use its best efforts, to the extent County has the authority to do so, to impose the obligation to pay said reimbursement, as a condition of development of such benefited property, at the time such property owner requests a discretionary approval or other such entitlement from County for development of the benefited property whereby such condition can be imposed. Such reimbursement shall be due and payable on the earlier of issuance of a building permit on the benefited property, recordation of a final parcel or subdivision map for the benefited property or receipt of funds from an infrastructure financing district that is formed by or includes such benefited property. County's obligation to impose such condition and collect such reimbursement shall terminate upon any termination of this Agreement. County shall have no obligation to make any payments to Landowner unless and until it receives any such reimbursement amount from a third-party source.

4.2.2 Reimbursable Hard Costs. The "hard costs" of construction to be reimbursed to Landowner by the County or a third party or to be paid by Landowner to any third party in accordance with the terms of this Agreement shall consist of the identifiable and commercially reasonable costs of the design, engineering and construction as actually incurred by Landowner or such third party for the reimbursable work.

4.2.3 Interest on Reimbursements. In each case in which this Agreement provides that Landowner is entitled to receive reimbursement for improvements from third parties or is required to pay reimbursement to third parties, Landowner shall be entitled to receive, or be obligated to pay, interest on the amount to be reimbursed as determined by the Board of Supervisors on a case-by-case basis.

4.2.4 Term for Credits and Reimbursements. County's obligation to provide any credits or to pay any reimbursements to Landowner that accrue hereunder and shall remain and continue during the term of this Agreement.

4.2.5 Not a Limitation. Nothing in the foregoing Section 4.2 shall be construed to limit Landowner from receiving, in consideration of the improvements to be constructed by Landowner hereunder, any other credits or reimbursements from County otherwise provided under then existing County policy, rule, regulation or ordinance.

4.3 Applications for Permits and Entitlements.

4.3.1 Action by County. County agrees that it will accept, in good faith, for processing review and action, all applications for development permits or other entitlements for use of the Property in accordance with the Entitlements and this Agreement, and shall act upon such applications in a timely manner. Accordingly, to the extent that the applications and submittals are in conformity with the Entitlements, Applicable Law and this Agreement and adequate funding by Landowner exists therefor, County agrees to diligently and promptly accept, review and take action on all subsequent applications and submittals made to County by Landowner in furtherance of the Project. Similarly, County shall promptly review and approve improvement plans, conduct construction inspections and accept completed public facilities. In the event County does not have adequate personnel resources or otherwise cannot meet its obligations under this Section 4.3.1 and Sections 4.3.2, 4.3.3 and 4.3.4 of this Agreement, County will utilize, consistent with County policy and in accordance with the agreement to be entered into pursuant to Section 4.3.2, below, outside consultants for inspection and plan review purposes at the sole expense of Landowner. County will consult with Landowner concerning the selection of the most knowledgeable, efficient and available consultants for purposes of providing inspection and plan review duties for the County and the Project.

4.3.2 Review and Approval of Improvement Plans, Final Subdivision Maps and Inspections. The parties agree that the timely performance of review, approval and inspection of improvement plans, final subdivision maps and constructed facilities and residential and non-residential dwellings is important to Landowner in achieving the success of the Project. To assure these services will be provided to the Project on a timely basis, the parties shall, prior to the approval of the Vesting Large Lot Tentative Subdivision Map, enter into a separate agreement that will establish the time periods for timely review, approval and inspections by County and the commitment of Landowner to pay the cost to County incurred for providing such timely review, approval and inspections.

4.3.3 Building Permits for Model Homes. County shall approve a building permit for each model home in a timely manner and in accordance with the County's applicable ordinances.

4.3.4 Grading Permit Pursuant to 404 Permit. County shall, in a timely fashion, review, process and approve a grading permit or grading permits meeting County requirements issued for the purposes for the filling of existing and construction and/or enhancement of new wetlands on the project site pursuant to a 404 permit issued by the Army Corps of Engineers.

4.4 Map Extensions. County agrees that the life of any tentative map or other permit(s) approved by County within the Project shall continue at a minimum for the term of this Agreement.

4.5 Formation of Necessary Zones of Benefit. Pursuant to this Agreement, Landowner is required to fund the cost of maintaining certain public facilities constructed within the Project. Landowner agrees to participate in the formation of such zones of benefit within County Service Area (CSA) No. 28 as may be necessary. County and Landowner shall cooperate in the preparation of such reports and documents, and take such other and further actions as may be necessary to form the necessary zone(s) of benefit and to impose any necessary fees, charges or assessments therein.

4.6 Formation of Project CFD and Issuance of Bonds. Development of the Project requires the investment of significant capital to fund the Project's necessary infrastructure and facilities, a portion of which benefit an area and population significantly larger than the Project alone. In approving this Agreement, the Board of Supervisors specifically finds that the Entitlements and the Landowner's obligations imposed pursuant to this Agreement provide a significant public benefit.

Landowner may elect to request the formation of a Community Facilities District (CFD) in order to finance and construct some of these pieces of infrastructure and facilities. In such event, County shall cooperate with Landowner in the expeditious review of any such request by Landowner by the County Bond Screening Committee (CBSC).

4.7 Right(s)-of-Way Acquisition. To the extent that the acquisition of off-site right(s)-of-way are necessary for Landowner to construct off-site improvements including, but not limited to, roadways, water, wastewater or drainage facilities, or trails, Landowner shall be responsible for acquiring said right(s)-of-way through good faith negotiations with the property owner. In the event Landowner is unable to obtain the right(s)-of-way through good faith negotiations, Landowner may request County acquire the right(s)-of-way. County shall promptly review any such request and shall notify Landowner as to whether or not County is prepared to acquire the right(s)-of-way in question through the exercise of its power of eminent domain. In the event County determines to exercise its power of eminent domain, it shall promptly proceed in accordance with the Eminent Domain Law (Code of Civil Procedure section 1230.010 et seq.) and agrees to use its best efforts to expedite acquisition.

Prior to County initiating any condemnation action, Landowner shall have provided funding for all costs of such right(s)-of-way acquisition, including attorney's fees, appraisal and court costs as the County may deem necessary and appropriate.

SECTION 5

DEFAULT, REMEDIES, TERMINATION

5.1 General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either party to perform any term or provisions of this Agreement shall constitute a default. In the event of alleged default or breach of any term or condition of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30)-day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty-day period, the other party to this Agreement at its option may institute legal proceedings pursuant to this Agreement or give notice of intent to terminate the Agreement pursuant to California Government Code Section 65868 and regulations of County implementing said Government Code Section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the Board of Supervisors within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and County regulations implementing such Sections.

Following consideration of the evidence presented in said review before the Board of Supervisors, either party alleging the default by the other party may give written notice of termination of this Agreement to the other party.

Evidence of default may also arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code Section 65865.1. If either party determines that the other party is in default following the completion of the normally scheduled periodic review, said party may give written notice of default of this Agreement as set forth in this section, specifying in said notice the alleged nature of the default, and potential actions to cure said default and shall specify a reasonable period of time in which such default is to be cured. If the alleged default is not cured within thirty (30) days or within such longer period specified in the notice, or if the defaulting party waives its right to cure such alleged default, the other party may terminate this Agreement.

No building permit shall be issued or building permit application accepted for any structure on the Property if the permit applicant owns and controls any property subject to this Agreement, and if such applicant or entity or person controlling such applicant is in default of the terms of this Agreement and the period for cure has elapsed, or the defaulting party waives its right to cure such default.

In addition to the foregoing remedy, if Landowner is in default of any of the terms of Sections 2.5 (Affordable Housing), 3.1 (Roadway Improvements), 3.2 (Wastewater Facilities), 3.3 (Park Facilities), 3.4 (Natural Open Space and Trails), 3.5 (Fire

Protection and Public Safety Facilities), or 3.11 (Transfer of Tower Site and Assignment of Lease) herein, and the period for cure has elapsed, no building permit shall be issued or building permit application accepted for any structure on any lot of the Property.

5.2 Annual Review and Certification of Compliance. Once every twelve (12) month period commencing with the commencement date set forth in Section 1.3.1, County shall review the extent of good faith substantial compliance by Landowner with the terms of this Agreement. Such periodic review shall be limited in scope to compliance with the terms of this Agreement pursuant to Section 65865.1 of the Government Code and the monitoring of mitigation in accordance with Section 21081.6 of the Public Resources Code of the State of California. Notice of such annual review shall include the statement that any review of obligations of Landowner as set forth in this Agreement may result in termination of this Agreement. A finding by County of good faith compliance by Landowner with the terms of the Agreement shall be conclusive with respect to the performance of Landowner during the period preceding the review and Landowner shall be entitled to the issuance of a Certificate of Compliance by County, a copy of which is attached as **Exhibit N** and incorporated herein, which shall be recorded with the County Recorder. Landowner shall be responsible for the cost reasonably and directly incurred by the County to conduct such annual review and certification of compliance, the payment of which shall be due within thirty (30) days after conclusion of the review and receipt from the County of the bill for such costs.

Upon not less than Sixty (60) days written notice by the Planning Director of County, Landowner shall provide such information as may be reasonably requested and deemed to be required by the Planning Director in order to ascertain compliance with this Agreement.

In the same manner prescribed in Section 10, the County shall deposit in the mail to Landowner a copy of all staff reports and related exhibits concerning contract performance and, to the extent practical, at least ten (10) calendar days prior to any such periodic review. Landowner shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the Board of Supervisors or if the matter is referred to the Planning Commission before said Commission.

If County takes no action within thirty (30) days following the hearing required under this Section 5.2, Landowner shall be deemed to have complied with the provisions of the Agreement.

5.3 Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or default are due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, or similar bases for excused performance. If written notice of such delay is given to County within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

5.4 Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, seek a declaration of rights, or to enjoin any threatened or attempted violation. Notwithstanding Section 394 of the Code of Civil Procedure, all legal actions shall be initiated in the Superior Court of the County of Placer, State of California.

5.5 Effect of Termination. If this Agreement is terminated following any event of default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the County. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the County that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

5.6 Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party for breach of this Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

SECTION 6 HOLD HARMLESS AGREEMENT

Landowner and its successors-in-interest and assigns, hereby agrees to, and shall defend and hold County, its elective and appointive boards, commissions, officers, agents, and employees harmless from any costs, expenses, damages, liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Landowner, or of Landowner's contractors, subcontractors, agents, or employees under this Agreement, whether such operations be by Landowner, or by any of Landowner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Landowner or Landowner's contractors or subcontractors, unless such damage or claim arises from the negligence or willful misconduct of County. The foregoing indemnity obligation of Landowner shall not apply to any liability for damage or claims for damage with respect to any damage to or use of any public improvements after the completion and acceptance thereof by County.

In addition to the foregoing obligations, Landowner shall, upon written request of County, defend, indemnify and hold County, its elective and appointive boards, commissions, officers, agents and employees harmless from any and all lawsuits, claims, challenges, damages, expenses costs, including attorneys fees awarded by a court, or in any actions at law or in equity arising out of or related to the processing, approval, execution, adoption or implementation of the Project, this Agreement, the Entitlements, or the Environmental Impact Report, exclusive of any such actions brought by Landowner, its successors-in-interests or assigns. The County shall retain the right to appear in and defend any such action or lawsuit on its own behalf regardless of any tender under this provision. Upon request of County, Landowner shall execute an indemnification agreement in a form approved by County Counsel.

SECTION 7 PROJECT AS A PRIVATE UNDERTAKING

It is specifically understood and agreed by and between the parties hereto that the subject project is a private development. No partnership, joint venture or other association of any kind is formed by this Agreement.

SECTION 8 COOPERATION IN THE EVENT OF LEGAL CHALLENGE

In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action, subject to the obligations as set forth in Section 6 herein.

SECTION 9 NOTICES

All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the County shall be addressed as follows:

Jan Christofferson, County Executive
County of Placer
175 Fulweiler Avenue
Auburn, CA 95603

Fred Yeager, Planning Director
County of Placer
11414 "B" Avenue
Auburn, CA 95603

Notice required to be given to the Landowner shall be addressed as follows:

Bickford Holdings, LLC
c/o Lennar Communities
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678
Attention: Brian Bombeck

George Phillips
Law Offices of George Phillips
2306 Garfield Avenue
Carmichael, CA 95608

Either party may change the address stated herein by giving notice in writing to the other party, and thereafter notices shall be addressed and transmitted to the new address.

SECTION 10 MISCELLANEOUS PROVISIONS

10.1 Enforceability. The County agrees that unless this Agreement is amended or canceled pursuant to the provisions of this Agreement and the Adopting Ordinance, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building regulation adopted by County, or by initiative, which changes, alters or amends the rules, regulations and policies applicable to the development of the Property at the time of approval of this Agreement, as provided by Government Code Section 65866.

10.2 County Finding. The County hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan.

10.3 Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Landowner and the County and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

10.4 Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a party hereto of an essential benefit of its bargain hereunder, then such party so deprived shall have the option to terminate this entire Agreement from and after such determination.

10.5 Construction. This Agreement shall be subject to and construed in accordance and harmony with the Placer County Code, as it may be amended, provided that such amendments do not affect the rights granted to the parties by this Agreement.

10.6 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to

carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

10.7 Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature of such default. The party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. County acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of Landowner.

FORM OF AGREEMENT

This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement consists of twenty-nine (29) pages and eighteen (18) exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the County of Placer has authorized the execution of this Agreement in duplicate originals by its County Executive Officer and attested to by its County Clerk under the authority of Ordinance No. _____, adopted by the Board of Supervisors of the County of Placer on the _____ day of _____, 2004, and has caused this Agreement to be executed.

COUNTY OF PLACER,

BICKFORD HOLDINGS, LLC, a Nevada
limited liability company

BY: _____

Jan Christofferson
County Executive Officer

USH Bickford, LLC, a California limited
liability company, Manager

ATTEST:

US Home Corporation, a Delaware
corporation, its sole member

BY: _____

County Clerk

By: _____

Brian Bombeck
Division President

APPROVED AS TO FORM:

BY: _____
Anthony J. La Bouff
County Counsel

Attached Exhibit List

Exhibit "A-1"	Bickford Ranch Specific Plan Property
Exhibit "A-2"	Legal Description of Property
Exhibit "A-3"	Excepted Parcels
Exhibit "B"	Assignment Form
Exhibit "C"	Land Use Summary
Exhibit "D"	County Development Fee Schedule
Exhibit "E"	Conceptual Residential Unit Absorption Rate Schedule
Exhibit "F"	No Exhibit
Exhibit "G"	Off-Site Wastewater Transmission Facilities
Exhibit "H-1"	Bickford Ranch Park – Phase I
Exhibit "H-2"	Bickford Ranch Park – Phase II
Exhibit "I"	Tower Park Facilities
Exhibit "J-1"	Park Maintenance Facility
Exhibit "J-2"	Bickford Ranch Park Maintenance and Shop Equipment
Exhibit "K"	Fire Station – List of Equipment
Exhibit "L"	Fire Station – Location and Description
Exhibit "M"	Community Facilities Contribution – Facility Examples
Exhibit "N"	County Certificate of Compliance